

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 25, 2019

Company name: Aica Kogyo Company, Limited
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 4206 URL <http://www.aica.co.jp>
 Representative: President Yuji Ono
 Inquiries: General Manager, Financial Management Department Yousuke Mori TEL 052-533-3135
 Scheduled date to file Quarterly Securities Report: August 5, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2019	43,558	2.0	4,405	1.1	4,608	0.8	2,781	5.2
Three months ended June 30, 2018	42,703	16.6	4,358	8.8	4,570	8.7	2,643	9.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	42.60	42.59
Three months ended June 30, 2018	40.49	40.47

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	189,814	135,255	66.0
As of March 31, 2019	191,025	136,116	66.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2019	–	47.00	–	56.00	103.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		49.00	–	57.00	106.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2019	95,200	4.8	10,300	6.5	10,500	3.9	6,400	5.9	98.02
Full year	200,000	4.5	21,800	4.6	22,000	3.5	13,800	3.6	211.35

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- | | |
|--|-----|
| Changes in accounting policies due to revisions to accounting standards and other regulations: | Yes |
| Changes in accounting policies due to other reasons: | No |
| Changes in accounting estimates: | No |
| Restatement of prior period financial statements: | No |

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2019	67,590,664 shares	As of March 31, 2019	67,590,664 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	2,296,298 shares	As of March 31, 2019	2,296,226 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	65,294,414 shares	Three months ended June 30, 2018	65,285,532 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	45,587	43,066
Notes and accounts receivable - trade	60,309	58,409
Merchandise and finished goods	9,791	10,811
Work in process	1,004	1,165
Raw materials and supplies	7,446	7,324
Other	6,162	6,753
Allowance for doubtful accounts	(413)	(462)
Total current assets	129,888	127,068
Non-current assets		
Property, plant and equipment	40,949	42,394
Intangible assets		
Goodwill	319	949
Other	2,784	3,041
Total intangible assets	3,104	3,990
Investments and other assets		
Other	17,095	16,372
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	17,082	16,360
Total non-current assets	61,136	62,745
Total assets	191,025	189,814
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,332	25,531
Electronically recorded obligations - operating	6,188	6,017
Short-term borrowings	4,556	4,778
Income taxes payable	2,694	1,488
Provision for bonuses	1,833	2,396
Other	6,648	7,300
Total current liabilities	48,254	47,512
Non-current liabilities		
Long-term borrowings	432	448
Retirement benefit liability	1,296	1,412
Other	4,925	5,185
Total non-current liabilities	6,655	7,046
Total liabilities	54,909	54,559

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	9,891	9,891
Capital surplus	13,279	13,280
Retained earnings	100,739	99,865
Treasury shares	(2,007)	(2,007)
Total shareholders' equity	121,904	121,030
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,307	3,849
Deferred gains or losses on hedges	(5)	(6)
Foreign currency translation adjustment	60	352
Remeasurements of defined benefit plans	199	122
Total accumulated other comprehensive income	4,562	4,318
Share acquisition rights	27	27
Non-controlling interests	9,622	9,879
Total net assets	136,116	135,255
Total liabilities and net assets	191,025	189,814

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	42,703	43,558
Cost of sales	31,507	32,097
Gross profit	11,195	11,460
Selling, general and administrative expenses	6,837	7,055
Operating profit	4,358	4,405
Non-operating income		
Interest income	45	47
Dividend income	165	161
Other	198	191
Total non-operating income	409	400
Non-operating expenses		
Interest expenses	29	28
Sales discounts	38	39
Other	128	128
Total non-operating expenses	196	196
Ordinary profit	4,570	4,608
Extraordinary losses		
Loss on disaster	–	18
Total extraordinary losses	–	18
Profit before income taxes	4,570	4,590
Income taxes - current	1,530	1,473
Income taxes - deferred	122	(37)
Total income taxes	1,652	1,435
Profit	2,918	3,154
Profit attributable to non-controlling interests	274	373
Profit attributable to owners of parent	2,643	2,781

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	2,918	3,154
Other comprehensive income		
Valuation difference on available-for-sale securities	124	(457)
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(1,658)	363
Remeasurements of defined benefit plans, net of tax	0	(77)
Share of other comprehensive income of entities accounted for using equity method	(2)	5
Total other comprehensive income	(1,535)	(167)
Comprehensive income	1,382	2,987
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,572	2,537
Comprehensive income attributable to non-controlling interests	(189)	450

Support Data for the Summary of Consolidated
Financial Results for
the Three Months Ended June 30, 2019

Challenge & Creation

July 25, 2019

AICA KOGYO CO., LTD

1. Summary of consolidated financial results for the Three Months Ended June 30, 2019



[Millions of yen]

	FY Mar/2019 Q1		FY Mar/2020 Q1		
	Results	Profit margin	Results	Profit margin	Growth Rate
Net Sales	42,703		43,558		2.0%
Operating Profit	4,358	10.2%	4,405	10.1%	1.1%
Ordinary Profit	4,570	10.7%	4,608	10.6%	0.8%
Profit attributable to owners of the parent	2,643	6.2%	2,781	6.4%	5.2%

[Yen]

Profit per share	40.49	—	42.6	—	5.2%
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Net Sales • Operating Profit • Ordinary Profit : Increased **10** consecutive accounting year
Profit for the period* : Increased **4** consecutive accounting year

Net Sales : Reached a record high for the **7**th year in a row.
Operating Profit • Ordinary Profit : Reached a record high for the **8**th year in a row.
Profit for the period* : Reached a record high

* Profit attributable to owners of the parent

2. Sales result at the Three Months Ended June 30, 2019 and the breakdown by business segment

[Millions of yen]

	Net Sales			Operating Profit			
	FY Mar/2019 Q1	FY Mar/2020 Q1	Difference	FY Mar/2019 Q1	FY Mar/2020 Q1	Difference	
Chemical Products	24,446	25,048	601	1,696	1,856	160	Amount
				6.9%	7.4%	0.5%	Profit margin
Construction Materials	18,256	18,509	253	3,269	3,249	▲ 19	Amount
				17.9%	17.6%	▲ 0.3%	Profit margin
(Non-allocation operating expenses→)				▲ 607	▲ 700	▲ 92	Amount
TOTAL	42,703	43,558	854	4,358	4,405	47	Amount
				10.2%	10.1%	▲ 0.1%	Profit margin

3. Chemical Products Segment : Sales Breakdown by Product

[Billions of yen]

	FY Mar/2019		FY Mar/2020			
	Q1	Full Year	Q1	Growth Rate	Full Year Forecast	Achievement Rate
Adhesive	13.98	65.92	15.60	11.6%	70.00	22.3%
AAP ^(*)	10.76	52.11	12.43	15.5%	56.00	22.2%
Construction Resin	2.18	9.58	2.18	0.1%	9.75	22.4%
Speciality & Performance materials	5.63	23.16	4.77	▲ 15.3%	24.10	19.8%
Others	2.64	10.39	2.48	▲ 6.1%	10.85	22.9%
Total	24.44	109.06	25.04	2.5%	114.70	21.8%

(*)AAP: AICA Asia Pacific Holding Pte. Ltd. (Singapore)

4. Construction Materials Segment : Sales Breakdown by Product



[Billions of yen]

	FY Mar/2019		FY Mar/2020			
	Q1	Full Year	Q1	Growth Rate	Full Year Forecast	Achievement Rate
Melamine Decorative Laminated Sheets	3.95	17.34	3.94	▲ 0.1%	19.20	20.6%
Decorative Polyester Boards, Decorative Films	3.03	13.73	2.89	▲ 4.5%	13.65	21.2%
Melamine Noncombustible Decorative Panel "Cerarl"	4.20	19.70	4.48	6.7%	20.10	22.3%
Noncombustible Decorative Panel (Except "Cerarl")	2.27	9.74	2.19	▲ 3.2%	10.00	22.0%
Counterstops, Postforming products	3.53	16.35	3.74	6.0%	17.00	22.0%
Fittings, Interior Housing Materials	1.27	5.41	1.24	▲ 2.3%	5.35	23.2%
TOTAL	18.25	82.30	18.50	1.4%	85.30	21.7%



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The matters such as current plan, prospect, strategy, or conviction which indicated in this report but not historical fact are only the expectation of the future achievement, and there are the risks or unexpected factors.

This information has made based on the judgment of the manager of Aica Kogyo Co., Ltd. using current available information. The actual result can be difference from the current prospect because of various important elements, so please avoid depending on fully to only this prospect.

This document is not a thing for investment inducement. We request that the decision about the investment will be performed by the judgment of each user.